

United States Postal Service

§ 501.3

including but not limited to the method and manner of performing certain financial, security, and servicing functions and the need to maintain sufficient financial reserves to guarantee uninterrupted performance of not less than 3 months of operation.

(e) Qualification and approval may be based upon conditions agreed to by the Postal Service and the applicant. The applicant is approved in writing to engage in the function(s) for which authorization was sought and approved.

(f) The Postal Service functional area charged with administering authorization as described in this part 501 is the Postage Technology Management program office. All submissions cited throughout all sections of 39 CFR part 501 are to be made to this office in person or via U.S. mail to 1735 N. Lynn Street Room 5011, Rosslyn, VA 22209-6370 or via fax to 703-292-4073. Inquiries may be made via telephone to 703-292-3691, and information updates may be found on the U.S. Postal Service Web page at www.usps.com/postagesolutions/flash.htm.

[69 FR 60090, Oct. 7, 2004; 69 FR 61085, Oct. 14, 2004, as amended at 69 FR 67508, Nov. 18, 2004]

§ 501.2 Manufacturer qualification.

Any concern wanting authorization to manufacture and/or lease postage meters for use by licensees under *Domestic Mail Manual* P030 must:

(a) Satisfy the Postal Service of its integrity and financial responsibility;

(b) Obtain approval of at least one meter model incorporating all the features and safeguards specified in § 501.6;

(c) Have, or establish, and keep under its supervision and control, adequate production facilities suitable to carry out the provisions of §§ 501.15 through 501.21 to the satisfaction of the Postal Service. The production facilities must be subject to unannounced inspection by representatives of the Postal Service. If the provider's production facilities are located outside the continental United States, the provider will be responsible for all reasonable and necessary travel-related costs incurred by the Postal Service to conduct the inspections. Travel-related costs are determined in accordance with Postal Service Handbook F-15, *Travel and Relocation*. At its discretion, the Postal

Service may continue to fund routine inspections outside the continental United States as it has in the past, provided the costs are not associated with particular security issues related to a manufacturer's product, or with the start-up or implementation of a new plant or of a new or substantially changed manufacturing process.

(1) When conducting an inspection outside the continental United States, the Postal Service will make every effort to combine the inspection with other inspections in the same general geographic area in order to enable affected manufacturers to share the costs. The Postal Service team conducting such inspections will be limited to the minimum number necessary to conduct the inspection. All air travel will be contracted for at the rates for official government business, when available, under such rules respecting class of travel as apply to those Postal Service representatives inspecting the facility at the time the travel occurs.

(2) If political or other impediments prevent the Postal Service from conducting security evaluations of meter manufacturing facilities in foreign countries, Postal Service approval to distribute meters produced in those facilities may be suspended until such time as satisfactory inspections may be conducted.

(d) Have, or establish, and keep under its active supervision and control adequate facilities for the control, distribution, and maintenance of meters and their replacement or secure disposal or destruction when necessary.

[60 FR 30726, June 9, 1995, as amended at 67 FR 69479, Nov. 18, 2002; 67 FR 71843, Dec. 3, 2002]

§ 501.3 Changes in ownership or control, bankruptcy, or insolvency.

(a) Any person or entity authorized under § 501.1 must promptly notify the Postal Service when it has a reasonable expectation that there may be a change in its ownership or control including changes in the ownership of an affiliate which exercises control over its postage evidencing system operations in the United States. A change of ownership or control within the meaning of this section includes entry